



# Lesson Eight

## Bank Services

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### Introduction:

Lesson Eight examines the major services banks offer.

### Objectives:

- To familiarize students with the variety of services banks offer.
- To expand on the budget model through the addition of common long-term financial commitments.

### Suggested Materials/Speakers:

- *The Story of Money* by Betsey Maestro
- Banking basics from the Federal Reserve Bank of Boston call 617-973-3459 to order.

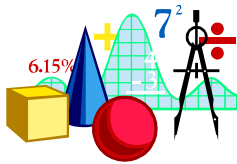
## Suggested Activities/Homework:

### *Creative Arts*



- Draw a comic strip showing the advantages and possible disadvantages of having an ATM card.
- Bring in or create a bank advertisement to show how banks advertise their services.

### *Math*



- Using varying interest rates, figure out the cost for different size loans. For example, \$100 borrowed for one year at 5%, 6%, or 7% interest.



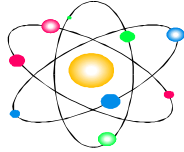
### *Language Arts*

- Discuss what kinds of bank services you might need now and what services you may need in the future.
- Write a mock letter to a bank explaining that you want a loan, why you want it, and how you will pay it back.
- Practice filling out a loan application. Your bank or credit union can supply materials.
- Look at ATM locations in your neighborhood. Write a brief description of what an ATM looks like. What keys are on the units? Why was the location selected?



### *Social Studies*

- How does a family's financial needs differ from a company's financial needs?
- Research different interest rates from different banks. How do they differ and why?



### *Science*

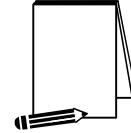
- What capabilities do you think ATM's will have in the future?



### *Computer*

- Ask your bank representative to provide you with literature from the bank showing some of their products.
- Develop your own brochure for a new bank.

## *Attachments*



- *Services Banks Offer:* Lesson Material and Glossary
- *Money Machines:* Information about ATM machines and activity to figure out the secret message.

# **SERVICES BANKS OFFER**

Suppose you earn an income, made a budget, determined what your basic routine expenses are, established how much money you wish to save monthly, and made a list of things for which you'd like to save. Now you need a safe place to keep your money where you have easy access to it if you need it. You decide to talk to the local bank to see what services it can offer you.

## ***Bank Accounts and Automatic Teller Machines (ATM's)***

People use banks for a variety of purposes. For those who need a safe place to keep their money, banks are ideal. As discussed earlier, banks offer a variety of savings and checking accounts. To make it even easier for people to access the money in their accounts, most banks offer a special card, which can be inserted into a machine and used to make deposits or withdrawals from savings and checking accounts. These are called Automatic Teller Machines (ATM's) because they perform many of the same duties a bank teller performs. ATM's provide a very convenient way to deposit or withdraw money from a bank account. ATM's can be used any time of the day or night so that people with busy schedules can make bank transactions whenever it's convenient without relying on the bank to be open.

## ***Using an ATM Machine***

An ATM is used by inserting the plastic card that you received from your bank into the machine and following the instructions on the screen. The screen will ask for your secret *Personal Identification Number* (PIN). This ensures that another person cannot use your card to get money if you lose it. Once you have entered your PIN, the ATM checks the amount of money in your account (your balance) to make sure you have enough for what you asked for. With your ATM card, you can also deposit money and transfer it between accounts at the bank. If you are under the age of 18, the ATM card is usually issued to your parent or guardian.

## ***Loans***

A bank's primary function is to make loans. A bank may issue many different kinds of loans. Some of the more common loans include home loans, auto loans, business or commercial loans, loans for school tuition or student loans, and personal loans.

When looking for a loan, most people call several different banks to see what interest rate each bank is charging for a loan. Remember, banks make a profit by lending people money for a fee. Many times interest rates may differ, so it's wise to shop around first.

Banks serve many types of customers including families, individuals, small and large companies, and even the government. A family's financial needs may differ from what a large company would need. To respond better to a particular group's needs, a bank may specialize in one or more areas. In fact there is even a bank in Denver, Colorado whose only customers are kids! Knowing what area a bank specializes in can help you find the best bank for your needs.

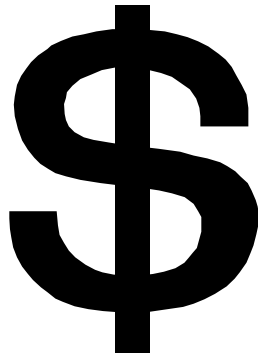
# GLOSSARY



<b>ATM Card</b>	A magnetic card used in an ATM machine to deposit or withdraw money.
<b>Auto Loan</b>	A loan that is issued for the purpose of buying a car.
<b>Automatic Teller Machine (ATM)</b>	Machine which allows a person to make a deposit or withdrawal from their account without having to go to the bank.
<b>Balance</b>	The amount of money remaining in a bank account.
<b>Commercial Loan</b>	A loan made to a business for the purpose of buying a business, making improvements to an existing one, or providing money for the business to use.
<b>Mortgage Loan</b>	A loan that is used to buy real estate property, usually a house.
<b>Student Loan</b>	A loan made to a student for payment of tuition or cost of living expenses while in school.

## ***RELATED WEB SITES***

<a href="http://www.yacenter.org">www.yacenter.org</a>	Bank in Denver, CO, just for kids!
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# Money Machines

An ATM (automated teller machine) is a convenient way to deposit or withdraw money from a bank account. ATM's can be used any day and at any time.

People have very busy lives today and not everyone can make the time to go to the bank. ATM's are only one of the services the bank offers depositors.

## How to Use the ATM Machine

- Insert the plastic card you get from your bank and enter your secret number, which is called your PIN. PIN stands for Personal Identification Number. The ATM checks the money in your account and gives you the amount you requested.
- At most machines, using your ATM card, you can deposit money in your account as well as transfer money between your accounts (between savings account and checking).
- If you are under the age of 18, the ATM card is usually issued to your parent or guardian. It depends on the policy of the bank.

## Activity:

Use the code to find the secret message.

1=L	2=N	3=O
4=P	5=R	6=T
7=U	8=V	9=Y
*=E	\$=I	

$$\frac{\quad}{2} \quad \frac{\quad}{*} \quad \frac{\quad}{8} \quad \frac{\quad}{*} \quad \frac{\quad}{5}$$

$$\frac{\quad}{6} \quad \frac{\quad}{*} \quad \frac{\quad}{1} \quad \frac{\quad}{1}$$

$$\frac{\quad}{9} \quad \frac{\quad}{3} \quad \frac{\quad}{7} \quad \frac{\quad}{5} \quad \frac{\quad}{4} \quad \frac{\quad}{\$} \quad \frac{\quad}{2}$$